

States May Take on More Investment Adviser Oversight

The Securities and Exchange Commission could shift some of its regulatory load to the states if it finds that its new hedge fund adviser registration rule spreads its supervisory muscle too thin. In a recent speech, SEC investment management division director Paul Roye stated that the new rule could boost the number of investment advisers it oversees by between 8% and 15%. Raising the asset maximum for state oversight of investment advisers to **\$40 million** from **\$25 million** might be one solution, he said.